

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:7740
ANSWERED ON:17.05.2002
FINANCIAL ASSISTANCE GIVEN TO FARMERS
M.H. AMBAREESH

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Union Government have any proposal to extend financial assistance to the farmers of our country instead of buying their cereals;
- (b) if so, the details thereof;
- (c) whether the present policy of buying the cereals from farmers have some inherent defects;
- (d) whether only few States have been benefited from the present policy; and
- (e) if so, the steps proposed to be taken by the Government to benefit the farmers of all the States uniformly?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI PRADHAN)

(a)&(b): No, Sir. No concrete proposal in this regard is under consideration of the Government.

(c),(d)&(e): Due to attractive Minimum Support Prices, the present system of open ended procurement has led to the accumulation of huge stocks in the Central Pool. This has increased the food subsidy bill due to high levels of carrying costs.

The present system of procurement works the best in the States where there is adequate infrastructure in the form of regulated markets and where the farmers have sufficient marketable surplus. The policy of Minimum Support Prices and procurement of Fair Average Quality standard of foodgrains is being implemented with the help of the State Governments uniformly in all States which have potential for procurement.